

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 557 - SB 663

March 1, 2015

SUMMARY OF BILL: Requires the Commissioner of Labor and Workforce Development (DLWD) to study the feasibility of the development or implementation of a paid family and medical leave program. Requires the study be restricted to the Family and Medical Leave Act (29 U.S.C. § 2601 et seq.) programs that are financed only through employee contributions. Requires the Commissioner to apply for federal funding through the federal Department of Labor's Women's Bureau, in order to obtain the one-time grant to fund the study. Authorizes DLWD, upon receipt of the one-time grant money, to develop or implement a state paid leave program. Upon the completion of the study, the department shall provide by March 1, 2017, a report on the feasibility of the development or implementation of a paid family and medical leave program to the Governor, the Speaker of the Senate, the Speaker of the House of Representatives, the Commerce and Labor Committee of the Senate, and the Consumer and Human Resources Committee of the House of Representatives.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - The implementation of the study is dependent upon receiving a federal grant. The amount of any one-time federal expenditure in the form of a grant that would be paid to Tennessee is unknown. To the extent any grant funding received is sufficient for conducting the study as proposed; no additional state funds would be required. Given the study is subject to the availability of federal funding, it is anticipated the study would not be performed, and no program would be implemented, if a grant were not received.

Assumptions:

- Subject to the availability of funds, the study shall examine the following related to a state paid leave program: statistical analysis such as feasibility, cost benefit, and actuarial studies; economic impact analysis; financing, eligibility, and benefit modeling; and education, outreach, and marketing analysis for implementation.
- Conducting the study is dependent upon receiving funds via a competitive federal grant through the Federal Department of Labor's Women's Bureau. The total amount of the grant is dependent upon multiple unknown factors and cannot be reasonably determined.
- DLWD indicates the department would require additional resources to perform the study. The department estimates the study would take approximately 22 weeks to complete. Additional staffing requirements for the study are expected to be the equivalent of five full time employees for the 22-week period.

HB 557 - SB 663

- Based on information provided by DLWD, employing five employees for a 22-week period is estimated to require one-time funding exceeding \$111,000. This estimate is based on a minimum annual salary of \$52,500 pro-rated for the 22-week period $[(\$52,500 \times 5 \text{ staff}) \times (22 \text{ weeks}/52 \text{ weeks})]$. The extent to which any grant funding would cover such one-time expenses is unknown.

IMPACT TO COMMERCE:

Other Commerce Impact – Approximately five temporary staff positions could be created as a result of the bill. In lieu of the five positions, a one-time increase in business revenue exceeding \$111,000 would occur if the Department of Labor contracts with a consultant to perform the study. Any such impact to commerce is contingent upon the state receiving a one-time federal grant.

Assumption:

- To the extent any grant funding received is sufficient for conducting the study, and the DLWD employs temporary staff positions to conduct the study, five temporary positions will be created as a result of the bill.
- Further, if DLWD contracts with a consultant to perform the study, the one-time increase in business revenue is estimated to exceed \$111,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

/dwl